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## **An Act To Clarify When the Rental of a Car Is Exempt from Sales and Use Tax**

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 36 MRSA §1760, sub-§21-A**, as amended by PL 2007, c. 627, §47, is further amended to read:

**21-A. Certain loaned vehicles.** The use of a loaner vehicle provided by a new vehicle dealer, as defined in Title 29-A, section 851, subsection 9, for short-term use free of charge to a service customer pursuant to a manufacturer's or dealer's warranty either by supplying the vehicle directly to the service customer or by arranging for a 3rd-party provider of rental vehicles to supply the vehicle to the service customer under a rental agreement between the 3rd-party provider and the service customer.

### **SUMMARY**

This bill clarifies that the sales tax exemption for the use of a vehicle provided by a new vehicle dealer to a service customer on a short-term basis free of charge pursuant to a warranty applies when the vehicle is provided either by the dealer directly or through a 3rd-party rental agreement.